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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

ORIGINAL  
RECEIVED  
*01/30/00*  
POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

EXPERIMENTAL "RIDE-ALONG"  
CLASSIFICATION CHANGE FOR PERIODICALS, 1999

Docket No. MC2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS TAUFIQUE TO INTERROGATORIES OF  
THE OFFICE OF THE CONSUMER ADVOCATE  
(OCA/USPS-T1-8)  
*11-1-8*

The United States Postal Service hereby provides the responses of witness  
Taufique to the following interrogatories of the Office of the Consumer Advocate:  
OCA/USPS-T1-8, filed on October 18, 1999.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

  
\_\_\_\_\_  
Scott L. Reiter

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2999; Fax -5402  
November 1, 1999

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE  
TO INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-1. Please refer to the testimony at page 2, lines 21-23.

- a. For Standard (A) mail currently enclosed with or attached to Periodical publications, please explain whether the "additional costs, if any," associated with such Standard (A) enclosures or attachments are distance-related transportation costs, non-distance-related transportation costs or non-transportation costs.
- b. Please provide an estimate of the amount of "additional costs, if any," associated with Standard (A) enclosures or attachments to Periodical publications for the costs identified in part a. of this interrogatory.
- c. For Standard (A) mail currently enclosed with or attached to Periodical publications, please identify and provide an estimate of the amount of "additional costs, if any," associated with such Standard (A) enclosures or attachments to Periodical publications not identified in part a. of this interrogatory.

RESPONSE

[a] Currently, the additional cost of Standard (A) enclosures or attachment with Periodicals are not determined separately. They are assumed to be captured with Periodicals' cost. If one assumes that the enclosure or attachment has not changed the shape or machinability of the host piece and as a result, mail processing or delivery costs have not changed, then the additional cost would be exclusively weight related. The weight related or pound cost for Periodicals are a combination of distance-related transportation costs, non-distance related transportation costs and non-transportation costs. Commission workpapers for Periodicals in Docket No. R97-1 provide the allocation of the various costs in developing Periodical advertising pound rates.

[b] I am not able to estimate the cost identified in part a. of this interrogatory.

[c] I am not able to estimate the cost not identified in part a. of this interrogatory.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE  
TO INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-T1-2. Please refer to Exhibit I, and the table entitled "Standard (A)

Attachments and Enclosures with Periodicals."

- a. Please confirm that the figures 1,451,574, and 2,903,148, represent "WEIGHT" in pounds. If you do not confirm, please explain.
- b. Please provide a copy of all data from the FY98 Centralized Postage Payment System (CPP) concerning Standard (A) enclosures or attachments with Periodicals mail.
- c. Please provide a copy of all supporting documentation explaining the CPP as it relates to determining the volume and revenues of Standard (A) enclosures or attachments with Periodicals mail.

**RESPONSE**

[a] Confirmed

[b] Attached is a copy of a letter from the Manager of Rates and Classification Center in New York, in which that office provided me with FY98 statistics for Standard Mail (A) Enclosures within CPP Periodicals Publications. Also attached to the letter are AP reports for each of the Accounting Periods in FY1998 with a summary that provides the results for the fiscal year.

[c] See the response to part [b] above.



August 12, 1999

ALTAF TAUFIQUE  
PRICING  
MARKETING SYSTEMS

SUBJECT: Standard Mail (A) Enclosures Within CPP Periodicals Publications

As per your conversation with Johnny B. Him, you requested information pertaining to Standard Mail (A) enclosures within CPP Periodicals Publication mailings for FY 98. For your perusal, I have enclosed copies of PS Form 3083 for FY 98, and a Location Volume Report for FY 98.

The following statistics are for Standard Mail (A) enclosures within CPP Periodicals Publications for FY 98:

Number of Postage Statements:	235
Number of Pieces:	12,631,993
Total Weight (lb.):	1,451,574
Revenue:	\$2,726,133.00

If you require any additional information, please contact Johnny Him at (212) 613-8624.

Sincerely,

A handwritten signature in black ink, appearing to read "Edmund J. Wronski".

Edmund J. Wronski  
Manager  
Rates and Classification Service Center

Enclosures

P20201  
NEW YORK, NY

POSTAL SERVICE PERMIT SYSTEM  
AP REPORT PROCESSING MODULE  
FORM 3083 FACSIMILE

DATE 8/12/99  
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AP 01-98

REGULAR TRUST FUNDS

		LOCAL			
TOTAL		-----MAILINGS-----		-----GRAND TOTAL-----	
		AIC	TOTAL AMOUNT	AIC	TOTAL AMOUNT
OPENING BALANCE	\$758,657.88	052	\$265,062.19	052	\$265,062.19
		130	\$282,520.03	130	\$282,520.03
ADVANCED DEPOSITS	\$265,062.19			CAPS	
		130	\$1,289.02	130	\$1,289.02
REFUNDS TO	\$0.00				
REVERSALS	\$0.00				
* TOTAL ACCOUNTED FOR	\$265,062.19			TOTAL	
		052	\$265,062.19	052	\$265,062.19
		130	\$283,809.05	130	\$283,809.05
		425	\$1,289.02	425	\$1,289.02
WITHDRAWALS	\$282,520.03				
REFUNDS FROM	\$0.00				
REFUNDS TO AIC 126	\$0.00				
REVERSALS	\$0.00				
ADJUSTMENTS	\$0.00				
* TOTAL ACCOUNTED FOR LOCALLY	\$282,520.03				
CLOSING BALANCE	\$741,200.04				
BALANCE IN TRUST ACCOUNTS	\$741,200.04				
DIFFERENCE	\$0.00				

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POSTAL SERVICE PERMIT SYSTEM  
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AP 02-98

REGULAR TRUST FUNDS

		-----MAILINGS-----		LOCAL	
TOTAL		AIC	TOTAL AMOUNT	AIC	GRAND TOTAL
					TOTAL AMOUNT
OPENING BALANCE	\$741,200.04	052	\$248,790.47	052	\$248,790.47
		130	\$213,114.29	130	\$213,114.29
ADVANCED DEPOSITS	\$248,790.47				CAPS
REFUNDS TO	\$0.00				
REVERSALS	\$0.00				
* TOTAL ACCOUNTED FOR	\$248,790.47	052	\$248,790.47	052	\$248,790.47
		130	\$213,114.29	130	\$213,114.29
		425		425	
WITHDRAWALS	\$213,114.29				
REFUNDS FROM	\$0.00				
REFUNDS TO AIC 126	\$0.00				
REVERSALS	\$0.00				
ADJUSTMENTS	\$0.00				
* TOTAL ACCOUNTED FOR LOCALLY	\$213,114.29				
CLOSING BALANCE	\$776,876.22				
BALANCE IN TRUST ACCOUNTS	\$776,876.22				
DIFFERENCE	\$0.00				

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AP 03-98

REGULAR TRUST FUNDS

		-----MAILINGS-----		LOCAL	
TOTAL		AIC	TOTAL AMOUNT	AIC	GRAND TOTAL
					TOTAL AMOUNT
OPENING BALANCE	\$776,876.22	052	\$95,623.26	052	\$95,623.26
		130	\$267,671.64	130	\$244,940.53
ADVANCED DEPOSITS	\$95,623.26				CAPS
REFUNDS TO	\$0.00				
REVERSALS	\$0.00				
* TOTAL ACCOUNTED FOR	\$95,623.26				
					TOTAL
		052	\$95,623.26	052	\$95,623.26
		130	\$267,671.64	130	\$244,940.53
		425		425	
WITHDRAWALS	\$267,671.64				
REFUNDS FROM	\$2.20				
REFUNDS TO AIC 126	\$0.00				
REVERSALS	\$22,731.11-				
ADJUSTMENTS	\$0.00				
* TOTAL ACCOUNTED FOR LOCALLY	\$244,942.73				
CLOSING BALANCE	\$627,556.75				
BALANCE IN TRUST ACCOUNTS	\$627,556.75				
DIFFERENCE	\$0.00				

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AP 04-98

REGULAR TRUST FUNDS

		LOCAL			
TOTAL		-----MAILINGS-----		-----GRAND TOTAL-----	
		AIC	TOTAL AMOUNT	AIC	TOTAL AMOUNT
OPENING BALANCE	\$627,556.75	052	\$174,718.01	052	\$174,718.01
		130	\$125,330.52	130	\$115,286.38
ADVANCED DEPOSITS	\$174,718.01				
REFUNDS TO	\$0.00	130	\$4,872.64	CAPS 130	\$4,872.64
REVERSALS	\$0.00				
* TOTAL ACCOUNTED FOR	\$174,718.01			TOTAL	
		052	\$174,718.01	052	\$174,718.01
		130	\$130,203.16	130	\$120,159.02
		425	\$4,872.64	425	\$4,872.64
WITHDRAWALS	\$125,330.52				
REFUNDS FROM	\$83,208.82				
REFUNDS TO AIC 126	\$0.00				
REVERSALS	\$10,044.14-				
ADJUSTMENTS	\$0.00				
* TOTAL ACCOUNTED FOR LOCALLY	\$198,495.20				
CLOSING BALANCE	\$603,779.56				
BALANCE IN TRUST ACCOUNTS	\$603,779.56				
DIFFERENCE	\$0.00				

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REGULAR TRUST FUNDS

		LOCAL			
TOTAL		-----MAILINGS-----		-----GRAND TOTAL-----	
		AIC	TOTAL AMOUNT	AIC	TOTAL AMOUNT
OPENING BALANCE	\$603,779.56	052	\$340,569.57	052	\$340,569.57
		130	\$33,625.61	130	\$33,625.61
ADVANCED DEPOSITS	\$340,569.57				
				CAPS	
REFUNDS TO	\$0.00	130	\$12,142.45	130	\$12,142.45
REVERSALS	\$0.00				
				TOTAL	
* TOTAL ACCOUNTED FOR	\$340,569.57	052	\$340,569.57	052	\$340,569.57
		130	\$45,768.06	130	\$45,768.06
		425	\$12,142.45	425	\$12,142.45
WITHDRAWALS	\$33,625.61				
REFUNDS FROM	\$0.00				
REFUNDS TO AIC 126	\$0.00				
REVERSALS	\$0.00				
ADJUSTMENTS	\$0.00				
* TOTAL ACCOUNTED FOR LOCALLY	\$33,625.61				
CLOSING BALANCE	\$910,723.52				
BALANCE IN TRUST ACCOUNTS	\$910,723.52				
DIFFERENCE	\$0.00				

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POSTAL SERVICE PERMIT SYSTEM  
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AP 06-98

REGULAR TRUST FUNDS

		LOCAL			
TOTAL		-----MAILINGS-----		-----GRAND TOTAL-----	
		AIC	TOTAL AMOUNT	AIC	TOTAL AMOUNT
OPENING BALANCE	\$910,723.52	052	\$575,182.34	052	\$353,185.35
		130	\$431,028.27	130	\$431,028.27
		132	\$11.80	132	\$11.80
ADVANCED DEPOSITS	\$575,182.34				
REFUNDS TO	\$0.00	130	\$139,125.70	130	\$139,125.70
REVERSALS	\$221,996.99-				
* TOTAL ACCOUNTED FOR	\$353,185.35				
WITHDRAWALS	\$431,040.07				
REFUNDS FROM	\$0.00				
REFUNDS TO AIC 126	\$0.00				
REVERSALS	\$0.00				
ADJUSTMENTS	\$0.00				
* TOTAL ACCOUNTED FOR LOCALLY	\$431,040.07				
CLOSING BALANCE	\$832,868.80				
BALANCE IN TRUST ACCOUNTS	\$832,868.80				
DIFFERENCE	\$0.00				

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REGULAR TRUST FUNDS

		LOCAL			
TOTAL		-----MAILINGS-----		-----GRAND TOTAL-----	
		AIC	TOTAL AMOUNT	AIC	TOTAL AMOUNT
OPENING BALANCE	\$651,337.17	052	\$123,227.09	052	\$123,227.09
		130	\$71,772.55	130	\$71,772.55
ADVANCED DEPOSITS	\$123,227.09				
		130	\$19,809.81	CAPS 130	\$19,809.81
REFUNDS TO	\$0.00				
REVERSALS	\$0.00				
* TOTAL ACCOUNTED FOR	\$123,227.09	052	\$123,227.09	TOTAL 052	\$123,227.09
		130	\$91,582.36	130	\$91,582.36
		425	\$19,809.81	425	\$19,809.81
WITHDRAWALS	\$71,772.55				
REFUNDS FROM	\$0.00				
REFUNDS TO AIC 126	\$0.00				
REVERSALS	\$0.00				
ADJUSTMENTS	\$0.00				
* TOTAL ACCOUNTED FOR LOCALLY	\$71,772.55				
CLOSING BALANCE	\$702,791.71				
BALANCE IN TRUST ACCOUNTS	\$702,791.71				
DIFFERENCE	\$0.00				

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AP 09-98

REGULAR TRUST FUNDS

		LOCAL			
TOTAL		-----MAILINGS-----		-----GRAND TOTAL-----	
		AIC	TOTAL AMOUNT	AIC	TOTAL AMOUNT
OPENING BALANCE	\$702,791.71	052	\$36,163.18	052	\$36,163.18
		130	\$87,805.31	130	\$87,805.31
ADVANCED DEPOSITS	\$36,163.18				CAPS
REFUNDS TO	\$0.00				
REVERSALS	\$0.00				
* TOTAL ACCOUNTED FOR	\$36,163.18				
			TOTAL		
		052	\$36,163.18	052	\$36,163.18
		130	\$87,805.31	130	\$87,805.31
		425		425	
WITHDRAWALS	\$87,805.31				
REFUNDS FROM	\$0.00				
REFUNDS TO AIC 126	\$0.00				
REVERSALS	\$0.00				
ADJUSTMENTS	\$0.00				
* TOTAL ACCOUNTED FOR LOCALLY	\$87,805.31				
CLOSING BALANCE	\$651,149.58				
BALANCE IN TRUST ACCOUNTS	\$651,149.58				
DIFFERENCE	\$0.00				

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POSTAL SERVICE PERMIT SYSTEM  
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REGULAR TRUST FUNDS

		LOCAL			
TOTAL		-----MAILINGS-----		-----GRAND TOTAL-----	
		AIC	TOTAL AMOUNT	AIC	TOTAL AMOUNT
OPENING BALANCE	\$651,149.58	052	\$57,397.33	052	\$57,397.33
		130	\$48,976.52	130	\$48,976.52
				242	\$375,732.33
ADVANCED DEPOSITS	\$57,397.33				
REFUNDS TO	\$0.00	130	\$11,092.16	130	\$11,092.16
REVERSALS	\$0.00				
* TOTAL ACCOUNTED FOR	\$57,397.33				
		052	\$57,397.33	052	\$57,397.33
		130	\$60,068.68	130	\$60,068.68
				242	\$375,732.33
WITHDRAWALS	\$48,976.52				
REFUNDS FROM	\$0.00	425	\$11,092.16	425	\$11,092.16
REFUNDS TO AIC 126	\$0.00				
REVERSALS	\$0.00				
ADJUSTMENTS	\$375,732.33				
* TOTAL ACCOUNTED FOR LOCALLY	\$424,708.85				
CLOSING BALANCE	\$283,838.06				
BALANCE IN TRUST ACCOUNTS	\$283,838.06				
DIFFERENCE	\$0.00				

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## REGULAR TRUST FUNDS

OPENING BALANCE		\$283,838.06	052	\$3,491.84	052	\$3,491.84
			130	\$107,800.93	130	\$105,028.17
					242	\$120,762.26
ADVANCED DEPOSITS	\$3,491.84				CAPS	
REFUNDS TO	\$0.00		130	\$33,695.86	130	\$33,695.86
REVERSALS	\$0.00					
					TOTAL	
* TOTAL ACCOUNTED FOR	\$3,491.84		052	\$3,491.84	052	\$3,491.84
			130	\$141,496.79	130	\$138,724.03
					242	\$120,762.26
WITHDRAWALS	\$107,800.93					
			425	\$33,695.86	425	\$33,695.86
REFUNDS FROM	\$0.00					
REFUNDS TO AIC 126	\$0.00					
REVERSALS	\$2,772.76-					
ADJUSTMENTS	\$120,762.26					
* TOTAL ACCOUNTED FOR LOCALLY	\$225,790.43					
CLOSING BALANCE		\$61,539.47				
BALANCE IN TRUST ACCOUNTS		\$61,539.47				
DIFFERENCE		\$0.00				

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NEW YORK, NY

POSTAL SERVICE PERMIT SYSTEM  
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REGULAR TRUST FUNDS

		LOCAL			
TOTAL		-----MAILINGS-----		-----GRAND TOTAL-----	
		AIC	TOTAL AMOUNT	AIC	TOTAL AMOUNT
OPENING BALANCE	\$61,539.47	130	\$21,881.83	130 242	\$21,881.83 \$8,716.95
ADVANCED DEPOSITS	\$0.00			CAPS	
REFUNDS TO	\$0.00	130	\$224,471.81	130	\$224,471.81
REVERSALS	\$0.00			TOTAL	
* TOTAL ACCOUNTED FOR	\$0.00	130	\$246,353.64	130 242	\$246,353.64 \$8,716.95
WITHDRAWALS	\$21,881.83	425	\$224,471.81	425	\$224,471.81
REFUNDS FROM	\$0.00				
REFUNDS TO AIC 126	\$0.00				
REVERSALS	\$0.00				
ADJUSTMENTS	\$8,716.95				
* TOTAL ACCOUNTED FOR LOCALLY	\$30,598.78				
CLOSING BALANCE	\$30,940.69				
BALANCE IN TRUST ACCOUNTS	\$30,940.69				
DIFFERENCE	\$0.00				

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POSTAL SERVICE PERMIT SYSTEM  
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REGULAR TRUST FUNDS

		LOCAL			
TOTAL		-----MAILINGS-----		-----GRAND TOTAL-----	
		AIC	TOTAL AMOUNT	AIC	TOTAL AMOUNT
OPENING BALANCE	\$30,940.69	052	\$1.22	052	\$1.22
				242	\$2,094.98
ADVANCED DEPOSITS	\$1.22			CAPS	
REFUNDS TO	\$0.00	130	\$383,764.85	130	\$371,279.33
REVERSALS	\$0.00				
* TOTAL ACCOUNTED FOR	\$1.22	052	\$1.22	052	\$1.22
		130	\$383,764.85	130	\$371,279.33
				242	\$2,094.98
WITHDRAWALS	\$0.00	425	\$383,764.85	425	\$371,279.33
REFUNDS FROM	\$0.00				
REFUNDS TO AIC 126	\$0.00				
REVERSALS	\$0.00				
ADJUSTMENTS	\$2,094.98				
* TOTAL ACCOUNTED FOR LOCALLY	\$2,094.98				
CLOSING BALANCE	\$28,846.93				
BALANCE IN TRUST ACCOUNTS	\$28,846.93				
DIFFERENCE	\$0.00				

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P20418  
NEW YORK, NY

POSTAL SERVICE PERMIT SYSTEM  
AS REQUESTED REPORT PROCESSING MODULE  
LOCATION VOLUME REPORT

DATE 08/12/99  
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\*\* CLOSING 09/15/97 THROUGH 09/11/98 \*\*

\*\*\* NO CLOSE EXISTS FOR THE BEGINNING DATE 09/13/97 REQUESTED \*\*\*

MAY INCLUDE CAPS ACCOUNT DATA

TOTAL OFFICE REPORT

(NOT A FINANCIAL REPORT, POSTAGE ROUNDED TO WHOL

GRAND TOTALS	STATEMENTS	PIECES	WEIGHT	POSTAGE
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FIRST CLASS

CARRIER ROUTE		0	0	0
5-DIGIT AUTOMATION		0	0	0
3-DIGIT AUTOMATION		0	0	0
3/5-DIGIT AUTOMATION		0	0	0
BASIC AUTOMATION		0	0	0
PRESORTED		0	0	0
SINGLE-PIECE		0	0	0
* FIRST CLASS TOTALS *	0	0	0	0

PRIORITY

PRIORITY PRESORTED (FLAG AS PRE 1/10 CATEGORY)		0	0	0
PRIORITY SINGLE PIECE		0	0	0
* PRIORITY CLASS TOTALS *	0	0	0	0

STANDARD (A)

SINGLE PIECE		3,029	278	1,675
AUTOMATION 5-DIGIT		1,259	82	195
AUTOMATION 3-DIGIT		0	0	0
AUTOMATION 3/5 DIGIT		1,663,212	186,571	299,567
NONAUTO 3/5 DIGIT		4,938,096	565,698	1,101,416
AUTOMATION BASIC		165,614	20,204	44,760
NONAUTOMATION BASIC		2,590,807	253,578	793,477
ECR SATURATION		12,037	622	1,649
ECR HIGH DENSITY		26,090	3,444	3,835
ECR BASIC		3,231,849	421,092	479,556
ECR AUTOMATION BASIC		0	0	0
* STANDARD (A) TOTALS *	235	12,631,993	1,451,574	2,726,133

THIRD CLASS (PRE-REFORM)

SATURATION W/S		0	0	0
125 PIECE W/S		0	0	0
CARRIER ROUTE		0	0	0
AUTOMATION 5D BARCODE		0	0	0
AUTOMATION 3D BARCODE		0	0	0
AUTOMATION 3/5 BC		0	0	0
AUTOMATION 3/5 ZIP+4		0	0	0
NONAUTOMATION 3/5		0	0	0
AUTOMATION BASIC BC		0	0	0
AUTOMATION BASIC Z+4		0	0	0
NONAUTOMATION BASIC		0	0	0
SINGLE PIECE		0	0	0
* THIRD CLASS (PRE-REFORM) TOTALS *	0	0	0	0

STANDARD (B)

BPM PRESORTED NONBCCARRT		0	0	0
BPM PRESORTED NONBC BASIC		0	0	0
BPM NONBC SINGLE-PIECE		0	0	0

BPM PRESORTED BC	0	0	0
PARCEL POST INTER-BMC (FLAG AS PRE 1/10 CATEGORY)	0	0	0
PARCEL POST INTRA-BMC (FLAG AS PRE 1/10 CATEGORY)	0	0	0
PARCEL POST DEST BMC (FLAG AS PRE 1/10 CATEGORY)	0	0	0
PP BC INTERBMC MACH	0	0	0
PP NONBC INTERBMC MACH	0	0	0
PP INTERBMC NONMACH	0	0	0
PP BC INTRABMC	0	0	0
PP NONBC INTRABMC	0	0	0
PP BC DEST ENTRY	0	0	0
PP NONBC DEST ENTRY	0	0	0
SPEC STD 5-DIGIT	0	0	0
SPEC STD BMC	0	0	0
SPEC STD SINGLE-PIECE	0	0	0
SPEC STD BC DISC (pieces not in total)	0	0	0
LIBRARY MAIL SINGLE-PIECE	0	0	0
LIBRARY MAIL 5-DIGIT	0	0	0
LIBRARY MAIL BMC	0	0	0
LIBRARY MAIL BC DISC (pieces not in total)	0	0	0
* STANDARD (B) TOTALS *	0	0	0
 ** TOTALS	235	12,631,993	1,451,574
			2,726,133

LOCATION = ALL

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE  
TO INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-3. Please refer to the testimony at page 4, lines 19-22, where it states, "As long as the shape and automation compatibility of the host piece is not affected by the inclusion of the 'Ride-Along' piece, then, presumably, any additional costs would be caused only by the additional weight of the 'Ride-Along' piece." Also please refer to Exhibit I. At an average weight of 1.8 ounces, the 77,142,000 additional pieces would weigh a total of 8,679,150 pounds  $((77,148,000 * 1.8) / 16\text{oz.})$ . Similarly, at an average weight of 3.3 ounces, the 77,142,000 additional pieces would weigh a total of 15,911,775 pounds  $((77,148,000 * 3.3) / 16\text{oz.})$ .

- a. Will 77,142,000 additional pieces, if they were to weigh a total of 8,679,150 pounds, incur additional distance-related transportation costs, non-distance-related transportation costs or non-transportation costs? Please estimate the additional costs for each type of cost.
- b. Will 77,142,000 additional pieces, if they were to weigh a total of 15,911,775 pounds, incur additional distance-related transportation costs, non-distance-related transportation costs or non-transportation costs? Please estimate the additional costs for each type of cost.

RESPONSE

[a] As stated earlier in my response to OCA/USPS-T1-1, if the "Ride-Along" attachment or enclosure does not add to mail processing and delivery cost, then the additional cost due to "Ride-Along" would be weight related. In the Periodicals class, weight related costs for advertising material are recovered through zoned pound rates. The advertising pound rates are comprised of all the components (distance-related transportation costs, non-distance-related transportation costs or non-transportation costs) mentioned in the question. Commission workpapers for Periodicals in Docket No. R97-1 provide the allocation of the various costs in developing Periodical advertising pound rates. The proportion of these costs may change depending on zones to which the additional pounds are being mailed. Therefore, I cannot estimate the additional costs for each type of cost.

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[b] See the response to part [a] above.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE  
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OCA/USPS-T1-4. Please refer to the testimony at page 8, lines 22-23, and page 9, lines 1-4. Assuming there are no additional mail processing or delivery costs, would the entire estimated \$10.2 million in revenues resulting from the "Ride-Along" classification change be a contribution to the institutional costs of Periodicals Mail? Please explain the answer in detail.

**RESPONSE**

Please refer to my testimony (USPS-T-1) page 5 , lines 4-7, if all "Ride-Along" pieces weighed 3.3 ounce and all of them were mailed to zone 8 then the proposed rate would cover the additional cost plus contribution assigned to Periodicals in Docket No. R97-1. To the extent that some of the pieces would weigh less than 3.3 ounces and travel a shorter distance or are dropshipped at the Delivery Unit or the SCF, a portion of the additional revenue would be a contribution to the institutional costs of Periodicals mail.

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OCA/USPS-T1-5. Please refer to the testimony at page 7, lines 18-21. Please explain the basis for the "conservative" assumption that only 50 percent of the Standard (A) mail pieces are currently reported through the CPP.

RESPONSE

By "conservative" I meant that I did not want to underestimate the number of Standard (A) enclosures or attachments. Since CPP mailers are larger mailers, most of the Standard (A) enclosures and attachments, on the order of maybe 60 to 70 percent are probably reported through CPP, and only a smaller percent would be mailed outside the CPP system. But, in order to avoid the possibility of underestimating these pieces, I assumed that only 50 percent of these pieces were reported through the CPP.

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OCA/USPS-T1-6. Please refer to the testimony at page 19, lines 7-9.

- a. Please explain in detail the nature of the "evaluation" to be performed on the "Ride-Along" pieces to "ensure that additional mail processing and delivery costs are not being incurred due to the inclusion of the 'Ride-Along' attachment."
- b. To the extent that there are additional costs associated with the "Ride-Along" pieces, please state how the "Data Collection Plan" will measure or estimate, and report, such additional costs. Please explain the answer in detail.

RESPONSE

[a] The "Ride-Along" pieces will be evaluated based on our experience of what the primary drivers are that affect the costs for letter and flat mail. We have accumulated experience over the years with the cost drivers for letters and flats in both mail processing and delivery operations, and these drivers have been used to establish the DMM requirements for the various processing categories. The data collection is attempting to do more analysis up front as the experiment proceeds rather than after the fact.

The goal of the "evaluation" will be multi-faceted. We hope to ensure that the processing category of the host piece is not affected by the "Ride-Along". This will be accomplished by evaluating the piece dimensions, stiffness, uniform thickness, polywrap machinability, selvage, and other characteristics that influence the processing category (auto letter, FSM 881 flat, FSM 1000 flat, and manual). The evaluation will also consider delivery cost drivers to ensure "Ride-Along" pieces do not increase delivery costs. Experience shows that thickness, uniform thickness and stiffness can affect costs.



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Evaluation will also include whether the requirements we have drafted in the proposal are adequate. By seeing the actual pieces, we may determine that there may be other physical attribute changes that may occur that we have not foreseen. We also are interested in seeing what types of products will be included to evaluate and follow-up on potential revenue diversion or new opportunities.

The intent of the "evaluation" is to ensure that approved pieces will incur no additional costs as a result of the "Ride-Along" attachment. If the evaluation ensures that "Ride Along" pieces remain in the same processing category (auto letter, FSM 881 flat, FSM 1000 flat) as the host piece, the mail processing and delivery costs should not increase.

[b] We do not expect additional costs related to mail processing and delivery.

See part [a] above. Also see USPS-T-1 pages 4 lines 22-23 and page 5 line 1 and page 5 lines 7-10. For weight related additional costs please see USPS-T-1 lines 10-13.

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OCA/USPS-T1-7. Please refer to the testimony at page 18, lines 12-20.

- a. Will all mailers of a Periodicals mailing be required to report the number of "Ride-Along" pieces, the number of pieces by weight (including the weight of pieces where there may be different weights of "Ride-Along" pieces in a mailing), and revenue associated with the "Ride-Along" pieces in each Periodicals mailing? If not, please explain why this information need not be reported.
- b. Will all mailers of Periodicals mailings be required to report the number of periodical pieces, and the weight and revenue of the periodicals pieces associated with the "Ride-Along" pieces? If not, please explain why this information need not be reported.
- c. Does the Postal Service intend to collect data on the zones to which the "Ride-Along" pieces will be mailed? If not, please explain why not.
- d. For the duration of the experiment, will the data identified in parts a., b. and c. of this interrogatory be reported to the Commission immediately following the close of each Accounting Period during the experiment? If not, please explain why not.

RESPONSE

[a] Yes, all Periodicals mailers using the "Ride-Along " classification will be required to report the "Ride-Along" pieces, revenues and weight. If two distinct "Ride-Along" pieces were mailed with the same issue of the periodical then we expect that mailers would be asked to report those pieces on separate mailing statements and provide a sample copy with each "Ride-Along" piece.

[b] Yes. Generally, mailing statements include all the information asked about in this question. Since the "Ride-Along" rate is proposed to be a "per copy" rate rather than a "per piece" rate and since the experimental proposal allows only one "Ride-Along" attachment per host piece, the report on the number of "Ride-Along" pieces would provide the number of copies associated with "Ride-Along" pieces.

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[c] The Postal Service will work with the mailers to collect data on the zones to which the "Ride-Along" pieces will be mailed without causing undue burden on the mailing community. If collection of this data causes undue burden on mailer (multiple mailing statements due to the addition of "Ride-Along") then the consolidated mailing statement for the issue could be used a proxy for the data on zones to which the "Ride-Along" pieces will be mailed.

[d] It is my understanding that data reporting issues are still under discussion in the settlement discussions.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE  
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OCA/USPS-T1-8. Please refer to the testimony at page 18, lines 13-16.

- a. Please explain in what ways the planned "alternate version of Form 3541" will differ from Form 3541. Please provide a copy of Form 3541 and the "alternate version of Form 3541."
- b. Please explain whether the "alternate version of Form 3541" is to be used by all mailers of "Ride-Along" mailings in lieu of, or in addition to, Form 3541.
- c. Will the "alternate version of Form 3541" collect data on the number of "Ride-Along" pieces, the number of pieces by weight (including the weight of pieces where there may be different weights of "Ride-Along" pieces in a mailing), and revenue associated with the "Ride-Along" pieces in each Periodicals mailing? If not, please explain how such information will be obtained.

**RESPONSE**

[a] My understanding is that the alternate version of Form 3541 would have an additional line for "Ride-Along" pieces. Attached is a copy of Form 3541 for Regular Rate Periodicals. Form 3541 can be accessed and printed from USPS homepage at [www.usps.gov](http://www.usps.gov) by clicking on Business Center, then Business Forms, Print-On-Demand Forms and scrolling down to Periodicals and clicking on the form needed and printing the needed form. Postal Service has not designed the "alternate version of Form 3541."

[b] My understanding is that the "alternate version of Form 3541" will be used in lieu of Form 3541 by all mailers of "Ride-Along".

[c] Please see my response to OCA/USPS-T-1-7 [a].

United States Postal Service

**Postage Statement — Periodicals  
Regular and Science-of-Agriculture Rates**

Post Office Note Mail Arrival Time

Periodicals mailings (except Foreign mailings) of different copy weights must be reported on separate statements.

Publication Title or News Agent's Name		Mailer's Name, Address, and Telephone Number		Entry Post Office Name, State, and ZIP+4
		CAPS Customer Ref. ID		
Publication No.	Edition Code/Key	Mailing Date	Processing Category (DMM C050) <input type="checkbox"/> Letters <input type="checkbox"/> Flats	Number of Containers (Fill in all that apply) 1' MM Trays _____ 2' MM Trays _____ 2' EMM Trays _____ Total Ltr.Trays _____
Issue Date	Issue Frequency	Statement Sequence No.	<input type="checkbox"/> Auto. Flats (DMM C820) <input type="checkbox"/> Machinable Parcels <input type="checkbox"/> Irregular Parcels	Flat Trays <u>N/A</u> Sacks _____ Pallets _____ Other _____

Complete only ONE of these two boxed sections:

If this statement is for ALL ISSUES in a calendar month (DMM P200.2)		If this statement is for ONE ISSUE or ONE EDITION	
Number of Issues This Month	Advertising Percentage in Total Month's Issues %	Weight per Copy for Issue (DMM P013—round off to 4 decimal places if necessary)	_____ lbs.
Weight of One Sheet (DMM P200—round off to 6 decimal places if necessary) _____ lbs.	Combined Weight of One Copy From Each Issue _____ lbs.	Advertising Percentage in This Issue %	_____ %
For Domestic Mailings: All domestic Periodicals mailings pay a pound rate (on the total weight of the mailing) and a piece rate (on the number of addressed pieces in the mailing). For Foreign Mailings: Foreign Periodicals mailings pay only a piece rate (based on the weight of the piece).		Post Office Computed Weight per Copy (Round off to 4 decimal places if necessary) _____ lbs.	

## ■ Outside-County

Pound Rate (Per pound or fraction)	Zone	Subscriber / Requester Copies	Nonsub./Nonreq. Copies*		Total Copies	Total Pounds	Advertising Pounds	Rate		Postage	Totals
			Within 10% Limit	Over 10%				Regular	Sci./Ag.		
1. Del. Unit								\$.155	\$.116		
2. SCF								.178	.133		
3. 1 & 2								.215	.161		
4. 3								.229			
5. 4								.263			
6. 5								.316			
7. 6								.371			
8. 7								.438			
9. 8								.495			
10. Subtotals											
* Noncommingled nonsubscriber copies over the 10% limit are not mailable at Periodicals rates.											
11. Nonadvertising Pounds (Total pounds minus advertising pounds)								x \$.161	=		
Total Pound Rate Postage (Line 10 plus line 11)										12.	
Piece Rate (Per addressed piece)	Level	Sorted Under DMM <input type="checkbox"/> M200 <input type="checkbox"/> M810 <input type="checkbox"/> M820		Description (DMM E230 and E240 as applicable)	Number of Copies	No. Qualified Addressed Pcs	Rate	Postage			
13. Basic	Nonautomation						\$.294				
14. Basic	Automation			Letters			.232				
15. Basic	Automation			Flats			.248				
16. 3-Digit	Nonautomation						.253				
17. 3-Digit	Automation			Letters			.206				
18. 3-Digit	Automation			Flats			.214				
19. 5-Digit	Nonautomation						.197				
20. 5-Digit	Automation			Letters			.162				
21. 5-Digit	Automation			Flats			.168				
22. Carrier Route	Basic Carrier Route						.122				
23. Carrier Route	High Density			Sequencing Date			.103				
24. Carrier Route	Saturation			Sequencing Date			.085				
25. Subtotals											
26. Nonadvertising Percentage (100 minus adv. %)							x \$.00059 x No. Qual. Pcs. (Line 25) =				
27. Number of Addressed Pieces (not copies) eligible for delivery unit rate							x \$.013 =				
28. Number of Addressed Pieces (not copies) eligible for SCF rate							x \$.007 =				
29. Total Piece Rate Discount (Add lines 26 through 28)											
Total Piece Rate Postage (Line 25 minus line 29)										30.	
Postmaster: Report total postage in AIC 135. Total Outside County Postage (Line 12 plus line 30)										31.	

# Periodicals — Regular and Science-of-Agriculture Rates

Line 32 is reserved.

## ■ Foreign (IMM 242.2) (Round off weights to 4 decimal places if necessary)

33. Weight per Copy: Include All Wrappings (Canada) _____ lbs.	34. Weight per Copy: Include All Wrappings (Mexico) _____ lbs.	35. Weight per Copy: Include All Wrappings (Other countries) _____ lbs.				
1,000 or more pieces to a single country? <input type="checkbox"/> No <input type="checkbox"/> Yes (If YES, also complete Form 3541-S)						
Rate Category	Total Pounds	Subscriber / Requester Copies	Nonsubscriber / Nonrequester Copies	Total Copies	Rate	Postage
36. Canada						
37. Mexico						
38. Other Countries						
39. Number of pounds (not copies) entered at the NJI and BMC _____ x \$0.25 = _____						
Postmaster: Report total postage in AIC 238. Total Foreign Postage (Add lines 36 through 38 and subtract line 39)						40.

## ■ In-County (DMM E270) To calculate postage, use weight from page 1. Periodicals mailings (except Foreign mailings) of different copy weights must be reported on separate statements.

Pound Rate	Entry	Subscriber Copies*	Nonsubscriber Copies*	Total Copies	Total Pounds	Rate	Postage	Totals
Pound Rate	41. Delivery Unit					\$ .107		
	42. All Other					.133		
* Requester and all commingled nonsubscriber copies over 10% limit are not eligible for In-County rates.								
Total In-County Pound Rate Postage (Add lines 41 and 42)								43.
Piece Rate (In addition to pound rate)	Level	Description (DMM E230 and E240 as applicable)	Number of Copies	No. Qualified Addressed Pcs	Rate	Postage		
Piece Rate (In addition to pound rate)	44. Basic	Nonautomation			\$ .095			
		Automation	Letters		.046			
			Flats		.065			
	47. 3-Digit	Nonautomation			.088			
		Automation	Letters		.044			
			Flats		.062			
	50. 5-Digit	Nonautomation			.080			
		Automation	Letters		.041			
			Flats		.058			
	53. Carrier Route	Basic Carrier Route			.043			
		High Density	Sequencing Date		.029			
		Saturation	Sequencing Date		.025			
56. Subtotal (Add lines 44 through 55)								
57. Number of addressed pieces (not copies) eligible for delivery unit rate _____ x \$ .004 = _____								
Total In-County Piece Rate Postage (Line 56 minus line 57)								58.
Postmaster: Report total postage in AIC 224. Total In-County Postage (Add Lines 43 and 58)								59.
Postmaster: This total for mailer use only. Report AIC 135, AIC 238, and AIC 224 totals separately as instructed above.								
Mailer: Total Postage (Add Lines 31, 40, and 59)								

The submission of a false, fictitious, or fraudulent statement may result in imprisonment of up to 5 years and a fine of up to \$10,000 (18 USC 1001). In addition, a civil penalty of up to \$5,000 and an additional assessment of twice the amount falsely claimed may be imposed (31 USC 3802).

- ☐ For Automation Rates Only: I certify that any letter-size reply cards or envelopes enclosed in the pieces described above bear the correct facing identification mark (FIM) and barcode and meet automation compatibility standards in DMM C810.
- ☐ For Nonautomation Rates Only: I certify that the ZIP Codes appearing on the pieces described above have been verified and corrected where necessary within 12 months of the date of this mailing using a USPS-approved method (DMM E230).

I hereby certify that all information furnished on this form is accurate and truthful, that this mailing meets all applicable CASS/MASS standards for address and barcode accuracy, and that the material presented qualifies for the rates of postage claimed.

60a. Mailer's Printed Name and Signature _____	60b. Publisher's Printed Name and Telephone Number (If publisher not same as mailer) _____	61a. Verifying Employee's Signature _____	62. Round Stamp (Required)
		61b. Verifying Employee's Name _____	
		Time _____ AM _____ PM	
Dun & Bradstreet No. _____	Dun & Bradstreet No. _____		

## DECLARATION

I, Altaf Taufique, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

A handwritten signature in black ink, appearing to read 'A. Taufique', is written over a horizontal line.

Dated: November 1, 1999

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

A handwritten signature in black ink, appearing to read "Scott L. Reiter", is written over a horizontal line.

Scott L. Reiter

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
November 1, 1999